## Message Text

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**ACTION IO-06** 

INFO OCT-01 EA-06 ISO-00 ACDA-05 CIAE-00 INR-05 L-02

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P R 231450Z OCT 74 FM USMISSION IAEA VIENNA TO SECSTATE WASHDC PRIORITY 5196 INFO AEC GERMANTOWN PRIORITY AMEMBASSY TAIPEI

CONFIDENTIALIAEA VIENNA 9030

EO 11652: GDS

TAGS: PARM TECH IAEA TW

SUBJ: OFFICE CALL BY VICTOR CHENG, SEC GEN OF CAEC

1. CHENG CALLED AT MY OFFICE OCTOBER 21, ACCOMPANIED BY JOHN KUEI, LEADER OF LOCAL CHINESE CULTURAL ASSN. IN COURSE OF HOUR-LONG CONVERSATION, CHENG STATED THAT HE EXPECTED TO BE IN WASHINGTON OCTOBER 27 AND THAT MAIN PURPOSE OF HIS CURRENT VISIT TO VIENNA WAS TO GET FEEL FOR PRESENT DAY ATTITUDE AMONG IAEA MEMBER STATES TOWARD IDEA OF CONVERTING PRESENT SAFEGUARDS SYSTEM BEING APPLIED IN ROC (UNDER US-ROC:IAEA TRILATERAL AND UNILATERAL SUBMISSION ON CANADIAN REACTOR) TO A SYSTEM PATTERNED ON INFCIRC/153 BY WHICH ALL PEACEFUL NUCLEAR ACTIVITIES OF ROC WOULD BE SUBJECT TO SAFEGUARDS. CHENG STRESSED THAT HIS GOVT WISHED TO REMIND MEMBER STATES THAT ITS INTENTIONS IN NUCLEAR FIELD WERE ENTIRELY PEACEFUL; THAT THOUGH IT WAS NOT ABLE TO CONDUT ITS BUSI-NESS AS A PARTY TO NPT, GRC HAD RATIFIED TREATY AND WAS STILL INTERSTED IN SECURING AN NPT-TYPE "GENERAL" SAFEGUARDS AGREEMENT SIMILAR TO THAT WHICH WAS PENDING CONCLUSION WHEN ROC LOST ITS IAEA MEMBERSHIP. THIS WOULD ASSURE APPLICATION OF IAEA SAFEGUARDS TO ENTIRE NUCLEAR FUEL CYCLE IN ROC. CHENG SUGGESTED THAT ONE APPROACH TO RAISING SUBJECT ANEW MIGHT BE VIA APPLICATION OF PRINCIPLE OF UNIVERSALITY, WITH ISSUE POSSIBLY BEING RAISED AT NPT REVIEW CONFERENCE. POINTING OUT COMPARABLE PROBLEMS UK WOULD ALSO FACE IN NEGOTIATING SAFEGUARDS AGREEMENT FOR A NUCLEAR REACTOR IN HONG KONG, CHENG ALSO WONDERD WHETHER IT CONFIDENTIAL

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MIGHT BE POSSIBLE WORK OUT ARRANGEMENTS FOR REACTOR OPERATOR

(I.E., UTILITY COMPANIES) INSTEAD OF ROC AS POLITICAL ENTITY TO ENTER INTO AGREEMENTS WITHTHE AGENCY, THUS AVOIDING REOPENING CHINA REPRESENTATION ISSUE.

- 2. I REPLIED THAT QUESTION OF EXTENDING ROC SAFEGUARDS BY ADOPTION OF A NEW NPT-TYPE SAFEGUARDS AGREEMENT WAS A DESIRABLE OBJECTIVE WHICH WE ENDORSED. I DID NOT, DESPITE MUCH THOUGHT ON THE SUBJECT, SEE HOW IT COULD BE DONE AT THIS TIME. WHILE WE WERE NOT AWARE OF ANY MOVES BY OTHER STATES (8,:)7\$8,& 49.-,8-) TO CHALLENGE IMPLEMENTATION BY AGENCYOF PRSENT SAFEGUARDING IN ROC, I HAD SERIOUS DOUBTS ABOUT WISDOM OF RAISING SUBJECT, GIVEN ESPECIALLY THE MAKEUP OF THE PRESENT BOARD OF GOVERNORS; THAT TO RAISE IT WOULD IN FACT JEOPARDIZE CONTINUANCE OF PRESENT SYSTEM UNDER TRILATERAL AGREEMENT.
- 3. RE POSSIBLE ROC PLAN FOR ACQUIRING ITS OWN FUEL-FABRICATION FACILITIES, CHENG SAID THAT WHILE ROC NOT NOW DOING ANYTHING IN THIS FIELD, ACQUISITON OF THIS CAPABILITYIN COOPERATION WITH A US FIRM WOULD OFFER GREAT SAVINGS INFUTURE ROC REACTOR PROGRAM. CHENG SAID HE WOULD DISCUSS THIS TOPIC NURTHER WITH AEC NEXT WEEK.
- 4. I ASKED CHENG WHAT HIS THOUGHTS WERE REGARDING PROPOSALS MADE BY CHAIRMAN RAY (AND ALSO UNDER STUDY IN IAEA) FOR INTERNATIONAL OR REGIONAL COOPERATION IN FIELD OF FUELREPROCESSING AND WASTE MANAGEMENT. CHENG REPLIEDTHAT HE DID NOT SEE REGIONAL APPROACH AS A FEASIBLE ONE; THAT IN LONG TERM, EVERY NATION IS GOING TO HAVE TO "TAKE CARE OF ITS OWN NUCLEAR GARBAGE," AND THAT ROC MUST PREPARE FOR THIS PROBLEM. HE COULD NOT IGNORE PROSPECT THAT TREND OF EVENTS MIGHT FORCE ROC TO DEVELOP ITS OWN CHEMICAL REPROCESSING CAPACITY. CURRENT REPROCESSING CONTRACT WITH BRITISH NUCLEAR FUELS LTD., ONLYEXTENDED TO 1980; HE HAD NO ASSURANCES OF WHERE IN LONG RUN HE COULD CONTINUE OBTAIN REPROCESSING SERVICES. THIS WAS ONE REASON,HE ADDED WHY ROC WISHED TO REASSURE WORLD

ON ITS CONTINUING DESIRE TO SUBMIT ALL ITS NUCLEAR FACILITIES
TO NPT SAFEGUARDS, AND TO ENTER INTO COMPREHENSIVE SAFEGUARDS
AGREEMENT.

5. BEFORE LEAVING, CHENG EXPRESSED GRATITUDE FOR MISSION CONTINUING PROVIDE ROC IAEA DOCUMENTS (WHICH WE DO ON OFF-THE-RECORD CONFIDENTIAL

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BASIS), AND GAVE US COPY OF PRELIMINARY ANNOUNCEMENT ON INTERNATIONAL SYMPOSIUM ON NUCLEAR POWER TECHNOLOGY AND ECONOMICS BEING HOSTED BY NATIONAL SCIENCE COUNCIL, JANUARY 1985 (POUCHED AMMONS/AEC).

6 COMMENT: IF DEPT HASANY NEW IDEAS ON THIS THORNY SAFEGUARDS QUESTION, WOILD APPRECIATE GUIDANCE. AT THE MOMENT, WE FEEL BEST COURSE IS TO PROTECT THE SAFEGUARDS AGREEMENTS WHICH ALREADY APPLY

IN ROC NUCLEAR ACTIVITIES. WE CAN PROBABLY DO SO UNTIL AND UNLESS
PRC DECIDES JOIN IAEA. AT THAT POINT, THE ISSUE WILL BE JOINED,
BUT PRC STILL SHOWS NO INTEREST IN THE AGENCY, PORTER

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